The

Government

House

Foundation

ANNUAL REPORT

2002-2003

Letters of Transmittal

To Her Honour
The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Your Honour:

I have the honour to submit the Annual Report of The Government House Foundation for the period ending March 31, 2003.

The Government House Foundation has concentrated its efforts within the Calgary business community over the past year. Campaigns within Saskatchewan communities will commence within the new fiscal year.

Respectfully submitted,

Joanne Crofford
Minister in Charge

To The Honourable Joanne Crofford
Saskatchewan Provincial Secretary
Room 345
Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Minister:

It is my pleasure to submit the Annual Report of The Government House Foundation for the period ending March 31, 2003.

The Government House Heritage Property is a national treasure for all Canadians. Due to this national significance, campaigns will be conducted in major cities throughout the country. Over the past year, the Foundation has focused its energy within the Calgary business community. The Government House Foundation will commence actively campaigning within Saskatchewan in the forthcoming fiscal year.

Respectfully submitted,

Charles H. Knight
Chairperson, Board of Trustees

Introduction

The Government House Foundation was established by regulation, under the authority of *The Historic Properties Foundation Act* effective January 21, 2002. The site in the City of Regina commonly known as Government House was designated as a Provincial Heritage Property on August 26, 1981 and is the historic property for which the foundation was established.

Mandate

The purposes of the Government House Foundation are to preserve and enhance Government House, as well as to promote public awareness of the historical, educational and cultural value of the property. The Foundation objective is to seek and obtain donations from private individuals and corporations to support the enhancement and expansion of Government House and its grounds. The Government House Heritage Property Centennial Project is scheduled for completion in 2005, the Province of Saskatchewan's centennial year.

Board of Trustees

The Government House Foundation Board is responsible for the administration of the Foundation. To date sixteen trustees, out of a maximum of twenty trustees, have been appointed by the Lieutenant Governor in Council. The trustees represent business and community interests from across Canada, signifying the national importance of the Government House Heritage Property.

Foundation Board of Trustees

Chairperson	**Charles H. Knight**, Regina, CEO, Denro Group of Companies
Trustees	**Senator A. Raynell Andreychuk**, Regina and Ottawa
	Dr. Gordon Barnhart, Saskatoon, University Secretary, U of S
	Donald W. Black, C.M., Regina, CEO, Greystone Managed Investments
	Dean Burns, Calgary, Stikeman Elliott, *(appointment pending)*
	G. W. (Scotty) Cameron, C.M., Calgary
	Bruce Cowie, Calgary, Vice President, Harvard Broadcasting Inc. *(appointment pending)*
	W. Brent Cotter, Q.C., Regina, Deputy Provincial Secretary
	Paul J. Hill, Regina, President, Harvard Developments Inc.
	F. William Johnson, Q.C., Regina,Gerrand Rath Johnson,Barristers & Solicitors
	Lester Lafond, Saskatoon, *(resigned July, 2002)*
	Linda Lawrence, Edmonton
	Peggy McKercher, C.M., S.O.M., Saskatoon
	Gordon G. Tallman, Calgary
	Allan Taylor, O.C., Toronto
	E.K. (Ted) Turner, Regina *(resigned November, 2002)*
	Ron S. Waldman, Saskatoon, President, Great Western Brewing Company Ltd. *(appointment pending)*
	Pamela Wallin, Toronto *(resigned July, 2002)*
	Senator Jack Wiebe, Swift Current and Ottawa
Honorary Trustees	**Hon. Dr. Stephen Worobetz, O.C., S.O.M., M.C.**, Saskatoon
	Hon. Sylvia O. Fedoruk, O.C. S.O.M., Saskatoon
	Sheila Carson, Regina, President, Government House Historical Society
	Pamela Wallin, S.O.M., Canadian Consul General to New York *(appointment pending)*
Foundation Co-ordinator	**Irma Molnar, CMA**
Government Liaison & Secretary of the Board	**Michael Jackson, L.V.O., C.D.,** Executive Director of Government House & Protocol

103-06678/

Management's Responsibility for Financial Statements

Management of the Government House Foundation is responsible for the preparation and presentation of the financial statements. These statements have been prepared in accordance with generally accepted accounting principles in Canada, consistently applied, using management's best estimates and judgements where appropriate. Management is responsible for the reliability and integrity of the Financial Statements and other information in this Annual Report.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the Financial Statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization that assets are properly guarded against unauthorized use and the reliable records are maintained.

The Provincial Auditor has audited the Financial Statements. His report to the Members of the Legislative Assembly, stating the scope of his examination and opinion on the Financial Statements, appears within this report.

On behalf of Management:

Charles H. Knight
Chairperson

Irma M. Molnar
Coordinator

Government House Foundation

Financial Statements

For the Year Ended
March 31, 2003

SASKATCHEWAN

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

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Fax: (306) 787-6383
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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Government House Foundation as at March 31, 2003 and the statements of operations and net assets, and cash flows for the year then ended. The Foundation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 12, 2003

Fred Wendel, CMA, CA
Provincial Auditor

GOVERNMENT HOUSE FOUNDATION
STATEMENT OF FINANCIAL POSITION
For the year ended March 31, 2003

	2003	2002 (Note 7)
ASSETS		
Current Assets:		
Bank	$ 23,938	$ -
Interest receivable	4,968	-
GST recoverable	3,195	-
Prepaid expenses	2,400	-
Due from General Revenue Fund (note 3)	700,155	700,155
Long-term Assets:		
Capital assets (note 4)	1,680	-
	$ 736,336	$ 700,155
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 1,939	$ -
Deferred revenue (note 5)	700,000	700,000
Net assets (Statement 2)	34,397	155
	$ 736,336	$ 700,155

(See accompanying notes to the financial statements)

GOVERNMENT HOUSE FOUNDATION
STATEMENT OF OPERATIONS AND NET ASSETS
For the year ended March 31, 2003

	2003	Annual Budget	Variance Actual vs. Budget	2002 (Note 7)
Revenue:				
Donations	$ 78,133	$ 69,833	$ 8,300	$ -
Grant - Provincial Government	49,000	49,000	-	-
Interest	19,003	3,974	15,029	155
	146,136	122,807	23,329	155
Expenses:				
Advertising	10,236	11,151	(915)	-
Amortization	1,369	3,250	(1,881)	-
Canada Pension Plan & Employment Insuranc	4,171	5,143	(972)	-
Casual Labour & Consulting Services	4,250	5,500	(1,250)	-
Meetings	5,182	10,856	(5,674)	-
Office rent	3,000	3,000	-	-
Postage & courier	882	1,200	(318)	-
Printing	8,841	9,572	(731)	-
Registration fees and other	151	26	126	-
Salary - employee	49,500	49,500	-	-
Supplies	3,818	2,719	1,099	-
Telecommunications	2,464	2,500	(36)	-
Travel - Trustees and employee	14,731	20,000	(5,269)	-
Vehicle Allowance - employee	3,300	3,300	-	-
Web site development	-	2,000	(2,000)	-
	111,894	129,716	(17,822)	-
Excess of revenue over expenses	34,242	(6,909)	41,151	155
Net assets, beginning of period	155	155	155	-
Net assets, end of period - to Statement 1	$ 34,397	$ (6,754)	$ 41,306	$ 155

(See accompanying notes to the financial statements)

GOVERNMENT HOUSE FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended March 31, 2003

	2003	2002 (Note 7)
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 34,242	$ 155
Items not affecting cash from operations:		
Amortization of capital assets	1,369	-
Increase in receivables	(8,163)	700,000
Increase in prepaid expenses	(2,400)	
Increase in accounts payable	1,939	-
	26,987	700,155
Investing activity:		
Computer equipment purchase	(3,049)	-
Net increase/(decrease) in cash	23,938	700,155
Cash, beginning of the period	700,155	-
Cash, end of period	$ 724,093	$ 700,155
Cash consists of:		
Bank	$ 23,938	$ -
Due from General Revenue Fund	700,155	700,155
	$ 724,093	$ 700,155

(See accompanying notes to the financial statements)

GOVERNMENT HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2003

1. Authority

The Government House Foundation was established by regulation under the authority of *The Historic Properties Foundation Act*, on August 15, 2001. The site in the City of Regina commonly known as Government House was designated as a Provincial Heritage Property on August 26, 1981 and is the historic property for which the foundation was established.

The primary mandate of the Government House Foundation is to solicit donations to help pay for the expansion and renovations to Government House.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

a) Capital Assets
Purchased capital assets are recorded at cost with amortization recorded using the straight-line method over the estimated useful life of the assets as follows:

Computer Hardware	**3 years**
Computer Software	**1 year**

b) Donations and pledges
Donations are recorded as revenue in the fiscal period in which they are received.

Pledges made by donors to the Government House Foundation for donations to be received in future years are not recorded in the financial statements (as of March 31, 2003 Total Pledges received were $319,300 of which $241,167 is outstanding).

c) Revenue Recognition
Restricted contributions are recognized as revenue in the year in which restrictions of the contributions have been met. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

d) Use of Estimates
The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

e) **Fair value**

The Foundation's financial instruments include due from the General Revenue Fund, interest receivable, GST recoverable, prepaid expenses, accounts payable, and deferred revenue. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no interest or credit risk.

3. Due from General Revenue Fund

The Foundation's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Foundation's earned interest is calculated and paid quarterly, by the General Revenue Fund, based on the Government's thirty-day borrowing rate and the Foundation's average daily bank account balance. The Government's average thirty-day borrowing rate for the period was 2.62% (2002 – 2.02%).

4. Capital Assets

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Hardware	$ 2,521	$ 840	$ 1,680	$ 0
Computer Software	529	529	0	0
	$ 3,050	$ 1,369	$ 1,680	$ 0

5. Deferred Revenue

Deferred revenue of $700,000 represents funds transferred from the Government of Saskatchewan – General Revenue Fund (Centenary Fund) in the prior period. The Foundation can only expend these monies on the Government House Heritage Property Centennial Project. Under this project, the Government House will be enhanced and expanded. The Foundation is awaiting the commencement of this project and will recognize this amount as revenue in the year in which the related expense has been incurred. While the Foundation's primary mandate is to solicit funds, it does not expect to receive similar funding from the Government of Saskatchewan in the future.

6. Related Party Transactions

These financial statements include transactions with related parties. The Foundation is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Foundation is related to non-Crown enterprises that the Government jointly controls or significantly influences.

The Foundation has not been charged with any administrative costs associated with the provision of administrative services provided by the Department of Government Relations and Aboriginal Affairs and no provision for such costs is reflected in these statements. These costs are borne by the Department.

Transactions with related parties and amounts due from are described separately in the financial statements and notes thereto.

7. Comparative Figures

Comparative figures for the prior year are for the period March 11, 2002 to March 31, 2002. The Government House Foundation commenced full operations on May 1, 2002.

GOVERNMENT HOUSE FOUNDATION
SUPPLEMENTARY FINANCIAL INFORMATION
For the year ended March 31, 2003

Personal Services

Listed are individuals who received payments for salaries, wages, honoratiums, etc. which total $2,500 or more.

Irma Molnar	$52,800
Payees under $2,500	2,144
	$54,944

Travel

Charles H. Knight	$6,237
Irma Molnar	2,097
Other	6,943
	$9,040

Supplier Payments

Listed are payees who received $2,500 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment

Allied Printers	$11,964
Dell Computer	3,251
ICR Denro	3,210
Phoenix Group	10,912
SaskTel	2,573
Payees under $2,500	8,687
	$40,597